

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF DELTA)	CASE NO. 2006-00317
NATURAL GAS COMPANY, INC.)	

ORDER

On November 10, 2004, in Case No. 2004-00067,¹ the Commission approved rates for Delta Natural Gas Company, Inc. ("Delta") and provided for their further adjustment in accordance with Delta's gas cost adjustment ("GCA") clause.

On June 23, 2006, Delta filed its proposed GCA to be effective July 25, 2006.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Delta's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Delta's expected gas cost ("EGC") is \$8.8906 per Mcf, which is 49.01cents per Mcf less than the previous EGC of \$9.3807.
3. Delta's notice sets out a current quarter refund adjustment ("RA") of (.03) cent per Mcf. Delta's notice sets out a total RA of (.06) cent per Mcf, which represents a decrease of .03 cent per Mcf from the previous total RA.

¹ Case No. 2004-00067, Application of Delta Natural Gas Company, Inc. for an Adjustment of Rates.

4. Delta's notice sets out a current quarter actual adjustment ("AA") of (\$2.1650) per Mcf. Delta's total AA is 62.7 cents per Mcf, which is a decrease of \$2.2556 per Mcf from the previous total AA.

5. Delta's notice sets out a balance adjustment ("BA") of \$1.4398 cents per Mcf, which represents an increase of \$1.8266 per Mcf from the previous BA.

6. Delta's GCA is \$10.9568 per Mcf, which is 91.94 cents per Mcf less than the previous GCA of \$11.8762.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by Delta on and after July 25, 2006.

IT IS THEREFORE ORDERED that:

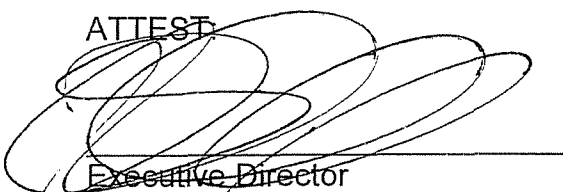
1. The rates in the Appendix to this Order are approved for final meter readings on and after July 25, 2006.

2. Within 20 days of the date of this Order, Delta shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 14th day of July, 2006.

By the Commission

ATTEST


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00317 DATED July 14, 2006.

The following rates and charges are prescribed for the customers in the area served by Delta Natural Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATE SCHEDULES

AVAILABILITY

Available for general use by residential, commercial, and industrial customers.

RATES

	<u>Base Rate</u>	plus	Gas Cost Recovery <u>Rate</u>	equals	<u>Total Rate</u>
Residential					
Monthly Service Charge	\$ 10.00				
All Mcf	\$4.1592		\$10.9568		\$ 15.1160
Small Non-Residential					
Monthly Service Charge	\$ 20.00				
All Mcf	3.7950		10.9568		\$ 14.7518
Large Non-Residential					
Monthly Service Charge	\$ 72.00				
First 200 Mcf	\$ 3.7950		\$10.9568		\$14.7518
Next 800 Mcf	2.1461		10.9568		13.1029
Next 4,000 Mcf	1.3500		10.9568		12.3068
Next 5,000 Mcf	.9500		10.9568		11.9068
Over 10,000 Mcf	.7500		10.9568		11.7068

Interruptible

Monthly Service Charge	\$ 250.00		
First 1,000 Mcf	\$ 1.6000	\$10.9568	\$ 12.5568
Next 4,000 Mcf	\$ 1.2000	10.9568	12.1568
Next 5,000 Mcf	.8000	10.9568	11.7568
Over 10,000 Mcf	.6000	10.9568	11.5568